AMENDMENTS TO THE CLAIMS

Please add or amend the claims to read as follows, and cancel without prejudice or disclaimer to resubmission in a divisional or continuation application claims indicated as cancelled:

1. (**Currently Amended**) A method of using a processor to create creating an electronically readable output document based on an electronically readable input document having a visual appearance corresponding to a plurality of elements, each element being characterized at least by a z-axis value and a geometry, wherein said plurality of elements are further characterized by a coverage area and a type, the method comprising:

for at least two elements in the input document having adjoining z-axis values:

(a) determining whether creating a composite element in said output document is desirable, by at least:

determining whether types of said at least two elements are compatible,

calculating a coverage area of said composite element, and

comparing said coverage area of said composite element to the sum of said coverage areas of said at least two elements in said input document;

(b) if creating said composite element is desirable, creating at least one composite element in said output document to represent said at least two elements in said input document if creating said composite element is desirable; [[and]]

(c) if creating said composite element is not desirable, and if said at least two elements do not overlap, altering z-axis values of said at least two elements if creating said composite element is not desirable and if said at least two elements do not overlap; and

producing an output document in which at least one single composite element respectively replaces at least two said elements in the input document.

2.   (**Cancelled**)

3.   (**Cancelled**)

4.   (Original) The method of claim 1, wherein said plurality of elements are characterized by a coverage area and wherein said determining if creating said composite element is desirable includes determining whether creating said composite element in said output document results in exceeding a predetermined maximum total coverage area.

5.   (Original) The method of claim 1, wherein said plurality of elements are characterized by a coverage area and wherein said determining if creating said composite element is desirable includes determining whether a coverage area of said composite element divided by a sum of coverage areas of said at least two elements is less than a predetermined coverage area reduction parameter.

6.   (**Cancelled**)

7.   (**Currently Amended**) The method of claim [[6]] 1, wherein said type is selected from the set consisting of fixed, reusable and unique.

8.   (Original) The method of claim 1 wherein said plurality of elements are characterized by coverage areas corresponding to polygons enclosing said elements, respectively.

9.   (Original) The method of claim 8, wherein said altering z-axis values of said at least two elements if creating said composite element is not desirable and if said at least two elements do not overlap comprises determining whether polygons enclosing said at least two elements overlap.

10.   (Original) The method of claim 8, wherein said polygons are rectangles.

11.   (Original) The method of claim 9 wherein said polygons are rectangles.

12.   (Original) The method of claim 1, wherein said plurality of elements are characterized by coverage areas corresponding to bitmap masks of said elements.

13.   (Original) The method of claim 12, wherein said altering z-axis values of said at least two elements if creating said composite element is not desirable and if said at least two elements do not overlap comprises determining whether said coverage areas corresponding to bitmap masks of said at least two elements overlap.

14.   (Original) The method of claim 1, wherein said output variable print document has a format selected from the set consisting of VPS, PPML and ANSI CGATS 2.0 (PPML/VDX).

15.   (Original) The method of claim 1, wherein said input variable print document has a format selected from the set consisting of VPS, PPML, and ANSI CGATS 2.0 (PPML/VDX).

16.   (Original) The method of claim 15, wherein said output variable print document has a format selected from the set consisting of VPS; PPML and ANSI CGATS 2.0 (PPML/VDX).

17.   (**Currently Amended**) Apparatus comprising:

        means for receiving an input document having a visual appearance corresponding to a plurality of elements, each element being characterized at least by a geometry and a z-axis value, wherein said plurality of elements are further characterized by a coverage area and a type; and

a processor to create an output document by creating at least one composite element in said output document to replace at least two elements <u>having adjoining z-axis values</u> in said input document if creating said composite element is desirable, and otherwise altering z-axis values of said at least two elements if said at least two elements do not overlap<u>, wherein said processor is to determine that creating a composite element in said output document is desirable based on compatibility of the types of said at least two elements and based on a comparison of a coverage area of a composite element representing the at least two elements combined to the sum of the coverage areas of the at least two elements.</u>

18.   (**Currently Amended**) A program storage device having instructions readable by a machine that when executed by the machine results in:

receiving an input document characterized by a visual appearance corresponding to a plurality of elements, each element being characterized at least by a geometry and a z-axis value<u>, wherein said plurality of elements are further characterized by a coverage area and a type</u>; and

creating an output document, wherein creating said output document comprises creating at least one composite element in said output document to replace at least two elements <u>having adjoining z-axis values</u> in said input document if creating said composite element is desirable, and otherwise altering z-axis values of said at least two elements if said at least two elements do not overlap<u>, wherein creation of a composite element in said output document is determined to be desirable based on compatibility of the types of said at least two elements and based on a comparison of a coverage area of a composite element representing the at least two elements combined to the sum of the coverage areas of the at least two elements.</u>

19.   (Original) The method of claim 1, wherein said input document is a variable print document.

20.   (Original) The method of claim 1, wherein said output document is a variable print document.

21.   (New) The method of claim 1, further comprising repeating steps (a), (b) and (c).